

**CALIFORNIA DEBT AND
INVESTMENT ADVISORY COMMISSION**

Presents

**THE FUNDAMENTALS
OF
DEBT FINANCING**

**Hilton San Diego Mission Valley
San Diego, California
October 12-13, 2006**

**California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814**

FIRST CLASS

The Fundamentals of Debt Financing

ABOUT THE PROGRAM

The Fundamentals of Debt Financing is a seminar designed for public finance officials and their staff, elected officials, and other non-profit organizations who need to understand public debt issuance and debt management. This one and a half-day seminar covers the issuer's roles and responsibilities and the responsibilities of other financing team members when issuing bonds. The program also provides important information on the terms and concepts fundamental to an understanding of the planning and sale of public debt. In addition, an overview of initial and continuing disclosure requirements and an understanding of how credit ratings and investor needs are incorporated into an issuer's bond structuring decisions are covered. An introductory session on bond math is included to provide the attendee basic math concepts utilized in the debt issuance process. The seminar is moderated by the California Debt and Investment Advisory Commission (CDIAC) staff and conducted by expert practitioners who are currently involved in public finance in California.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the issuance of public debt. Representatives of cities, counties, special districts, school districts, redevelopment agencies, and elected officials are especially encouraged to attend.

THE COMMISSION

CDIAC provides information, education, and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, administers a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical issues.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. No walk-in registrations will be accepted. Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. No refunds will be honored for cancelled registrations after the seminar registration deadline of September 21, 2006. Late registration will be accepted, if space is available.

LODGING

Hotel reservations should be made directly with the Hilton San Diego Mission Valley located at 901 Camino Del Rio South, San Diego. Call (619) 543-9000 early for reservations. A special room rate of \$110 is available to seminar participants. When making reservations, please request the group rate for the **California Debt and Investment Advisory Commission**. Once CDIAC's room block is filled, the hotel will not honor the contracted rate. The deadline for the special hotel reservation rate is September 18, 2006.

CDIAC complies with the Americans with Disabilities Act (ADA).

CDIAC is an Minimum Continuing Legal Education (MCLE) approved provider. CDIAC's educational programs are also accepted by many certification entities as "certifiable."

Fundamentals of Debt Financing October 12-13 2006 SEMINAR REGISTRATION FORM

To register, go on-line at www.treasurer.ca.gov/cdiac or complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of registration fee must be enclosed.** No refunds will be honored after the seminar registration deadline of **September 21, 2006**. Late registrations will be accepted if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

Name _____

Title _____

Agency _____

Street _____

City/State/Zip _____

Telephone _____ FAX _____

Email: _____

☐ Check here if you require vegetarian meals.

My interests are in : ☐ Public Debt Issuance

(*please check one*) ☐ Public Investments

☐ Debt and Investments

☐ **Registering for just the Fundamental of Debt Financing: \$175.00**

☐ **Please also include the updated California Debt Issuance Primer* for an additional \$25.00**

**Visit our website at
www.treasurer.ca.gov/cdiac
to register on-line and pay with VISA or MasterCard.**

Enclosed is my check for a total of \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration with payment to:

Seminar Programs
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814
Phone: (916) 653-3269

* The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Please allow approximately 2 weeks from date of order for delivery.

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AGENDA

Thursday, October 12, 2006

- 8:00 AM** **Registration and distribution of seminar materials**
Complimentary rolls and coffee
- 8:30 AM** **Introduction and Welcome**

*Jane W. Thompson, Executive Director,
California Debt and Investment Advisory Commission*
- 8:45 AM** **Introduction to Bond Math:** This session will cover bond math concepts essential to understanding the debt issuance process. It will define what a bond is and explain some basic concepts including principal, interest, yields, coupons, price, and the roles of investors and borrowers of bonds.

Ken Fullerton, Principal, Fullerton and Friar, Inc.
- 10:00 AM** **Break**
- 10:15 AM** **Municipal Bond Industry Professionals and Their Roles:**
This session will include private industry members of a typical financing team, including bond counsel, financial advisor, underwriter, and trustee. These professionals will discuss their functions and roles in the process of issuing public debt. Participants will gain an understanding of terms and concepts related to debt issuance, as well as receive practical advice on obtaining and utilizing professional services.

*Arto Becker, Partner, Hawkins Delafield & Wood LLP
David Brodsky, Vice President, Kelling, Northcross & Nobriga
Michelle Issa, Managing Director, Bank of America Securities
Ester Cervantes, Vice President, US Bank*

Friday, October 13, 2006

- 8:00 AM** **Complimentary Coffee and Rolls for All Participants**
- 8:30 AM** **Types of Short- and Long-Term Financings:** This session will cover several of the financing tools available to local issuers ranging from those that are more commonplace and less complicated to those that are more complex in nature. An issuer and two underwriters will discuss both short- and long-term financing options and the factors to consider when selecting one type over another. The financing options to be discussed include: tax and revenue anticipation notes (TRANs), commercial paper, general obligation (GO) bonds, revenue bonds, certificates of participation (COPs), and variable rate bonds.

*Andy Nakahata, Vice President, Goldman Sachs & Co.
Eileen Gallagher, Director, Stone and Youngberg LLC
David Jones, Principal Treasury Analyst, City of Oakland*
- 10:15 AM** **Break**
- 10:30 AM** **Understanding Credit - Enhancement and Ratings:** This session will provide participants with information about the purpose and process of credit enhancement and its impact on credit ratings. The session also will provide an understanding of the credit rating process, how credit ratings and investor needs can influence debt-structuring decisions, and the range of credit factors that rating agencies and investment analysts look at in evaluating the structure of a bond issue.

*Alison Fong, Vice President, MBIA Insurance Corporation
Dari Barzel, Senior Vice President, Moody's Investors Service*

12:15 PM **Luncheon for all Participants and Speakers**

Keynote Speaker: Steve Grossman, Director of Aviation, Port of Oakland

1:30 PM **How to Make Sense of the Debt Issuance Process and Your Role in the Process – An Issuer’s Perspective:**
Two local issuers will discuss the issuer’s role and responsibilities in the debt financing process, including an overview of some critical considerations that should be taken into account when deciding to issue bonds.

*Natalie Brill, Chief of Debt Management, City of Los Angeles
Donald Steuer, Chief Finance Officer, County of San Diego*

2:45 PM **Break**

3:00 PM **Initial and Continuing Disclosure:** A bond counsel will discuss municipal disclosure requirements and explain the responsibilities placed on local government officials by the Securities and Exchange Commission. The speaker also will provide participants with an understanding of the initial and continuing disclosure processes and considerations that confront local government officials.

Rick Hiscocks, Partner, Orrick, Herrington and Sutcliffe LLP

4:00 PM **Reception for all Participants and Speakers**

11:30 AM **Luncheon for All Participants and Speakers**

12:30 PM **Fundamentals of a Bond Sale:** This session will provide a review of the critical terms and concepts that are fundamental to an understanding of the sale of a long-term debt issue. An underwriter will cover debt issuance terms and concepts such as competitive vs. negotiated sale, true interest cost vs. net interest cost, underwriter’s discount and the cost of issuance, rated vs. non-rated issues, and prepricings and pricings.

Gary Hall, Vice President, J.P. Morgan Securities Inc.

2:00 PM **Evaluation and End of Seminar**